

expense in cash or mostly cash. Make a commitment to keep adding to the account. An emergency savings account is an important tool to help you stay on track to reduce and eliminate debt.

FATTEN YOUR RETIREMENT SAVINGS

A modest deposit can make a substantial impact on your retirement account. For example, if you deposit \$400 from your tax refund in a Roth IRA account at age 29, earn an average return of 8 percent, and add \$100 a month to the account, it will grow to \$248,872 by age 65. Suppose you deposit only \$50 a month? The account will grow to \$127,629 by age 65. The account balance can grow even more by increasing one or more of the following components: the initial deposit, the regular monthly deposit, the average interest rate earned, or the length of time to retirement.

Start Your Plan Today

Decide which Smart Uses fit your current financial situation, and get started. Remember, you can start with one or two Smart Uses and add others as your budget allows. Smart financial management is an ongoing daily process. Take the first step today.

See another Extension publication for more information:

Bird, Carolyn L. *Smart Money: Getting the Most from Your Tax Refund (FCS-528-01)*. Raleigh: North Carolina Cooperative Extension, NC State University.

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